BEFORE THE
SURFACE TRANSPORTATION BOARD

223590

Finance Docket No 35147

NORFOLK SOUTHERN RY CO. PAN AM RY INC ET AL JOINT CONTROL AND OPERATING/POOLING AGREEMENTS -PAN AM SOUTHERN LLC

RESPONSE OF THE BROTHERHOOD OF MAINTENANCE OF WAY EMPLOYES DIVISION/IBT AND BROTHERHOOD OF RAILROAD SIGNALMEN TO REQUEST FOR ORAL ARGUMENT

The Brotherhood of Maintenance of Way Employes Division/IBT ("BMWED") and Brotherhood of Railroad Signalmen ("BRS"), support the request of a number of parties for the holding of oral argument in these proceedings BMWED and BRS do not join in the arguments advanced by the moving parties as a basis for oral argument, nor have BMWED and BRS changed their position with respect to the Application and related filings. However, BRS and BMWED believe that the Board should hold oral argument because of uncertainty arising from events that have occurred since the filing of comments in these proceedings. In particular, BMWED and BRS have learned that the Greenbrier Companies have filed a motion in the United States District Court for the District of Massachusetts for creation of a receivership and appointment of a receiver for Springfield Terminal Ry. Co. and Boston & Maine Corp. Neither Greenbrier nor the Applicants have addressed that motion and its potential consequences in any filing before the Board. Nor is there an opportunity for discovery or additional comments and responses under the current case schedule. Oral argument is the only available mechanism for interested parties to learn about and comment on the impact of a receivership, for the Applicants to address questions arising from the Greenbrier motion, and for the Board to learn about and

obtain answers from Applicants and hear the concerns of other parties about the receivership motion

The Board will recall that BMWED and BRS did not support or support or oppose the Primary Transaction and related transactions in concept. Other than objecting to the use of Section 10901 for the PAS acquisition, BRS and BMWED argued that if STB approval is granted, it should be subject to certain conditions necessary for the protection of Maintenance of Way Employees and Signalmen. One of the requested conditions is imposition of representations made by Applicants regarding continued Springfield Terminal operation of the PAS lines with Springfield Terminal employees under existing Springfield Terminal collective bargaining agreements, and continuation of Springfield Terminal employees under the existing collective bargaining agreements if Springfield Terminal is replaced as the operator, as conditions of approval of the Primary Transaction and the related "embraced" transactions

The BMWED and BRS comments were predicated in part on the concern that PAS could terminate Springfield Terminal as the contract operator. The Application stated that Springfield Terminal would "initially" be the operator of PAS, and that Springfield Terminal would be the operator for the "foreseeable future", but that Springfield Terminal could be terminated as the Operator Additionally, the Application and Applicant discovery responses indicated that a change of control of the PARI parties would be grounds for changing the control provisions of the various agreements that underlie the Application and effectively place PAS in the control of Norfolk Southern. The Applicants explicitly relied on the Springfield Terminal Operating. Agreement and the Springfield Terminal CBAs to satisfy requirements for statements as to employee impacts, and to obtain support for their plans. And Applicants have cited the Springfield Terminal operating agreement as addressing the concerns of employees because

Springfield Terminal would continue to be the operator of the lines in question under its current collective bargaining agreements. BMWED and BRS believe that such assurances while well-intended, are not sufficient, and that Applicants' representations in this regard should be made conditions of any approval of the primary embraced transactions.

The event of a receivership motion heightens the concerns of BRS and BMWED Will Springfield Terminal still be the PAS Operator if it is placed in receivership? Will Springfield Terminal still be able to be PAS Operator if Springfield Terminal is placed in receivership? Will a receiver allow Springfield Terminal to continue to perform as PAS Operator? At this point, the only way for interested parties and the Board to get answers to those questions, and the only way for interested parties to react to those answers is if the Board holds oral argument. If the Applicants are unable to show that the receivership motion and any receivership order will not affect the representations made by Applicants with respect to the issues raised by BRS and BMWED, that would strengthen BMWED/BRS argument for imposition of a condition binding the Applicants to their representations regarding Springfield Terminal employees and collective bargaining agreements. BMWED and BRS therefore support the motion for oral argument in these proceedings.

Respectfully submitted,

/e/

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Dated September 15, 2008

<sup>&</sup>lt;sup>1</sup>Ideally, the Applicants would provide information about the receivership and state a position about the receivership motion and its consequences before an oral argument

## **CERTIFICATE OF SERVICE**

I hereby certify that I have caused to be served copies of the foregoing Response of the Brotherhood of Maintenance of Way Employes Division/IBT and Brotherhood of Railroad Signalmen To Request for Oral Argument by first-class mail, postage prepaid, to the offices of the following

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